

United States Courts
Southern District of Texas
FILED

JUL 24 2025

13 July 2025

Nathan Ochsner, Clerk of Court

United States Trustee C. Ross Travis

Region 7

Houston, Texas 77208

SUBJ: Case 25-90113

Dear Mr. Travis:

I am writing in response to a hearing held on Friday, July 11th by the Honorable Judge Perez in regards to the subject bankruptcy case involving Global Clean Energy. During the hearing, Judge Perez suggested that David Costaglio, a fellow Global Clean Energy stock holder, reach out to you directly to express concerns he had about Global Clean Energy that took place prior to GCEH's filing for bankruptcy. Since I share all of Mr Costaglio's concerns and have a few of my own, I am in turn filing my concerns with you directly in the hope that you will intervene on behalf of the many shareholders that currently hold GCEH stock and seemingly have been given no voice in this matter.

By way of background, I have been a GCEH shareholder since the company purchased the bio-pharma company mentioned in the filings in 1991. I currently hold over 458,000 common shares and have bought most of those shares over the past 10 years. I have attended shareholder meetings on many occasions and have paid very close attention to any and all filings by the company over the many years. I have read through the bankruptcy filing that GCEH's President Noah Verleun submitted and I find several of his statements disturbing and the lack of any concern for common shareholders even more disturbing.

In the first filing submitted by Mr. Verleun, President of Global Clean Energy, on page 9 of 303, he mentions a Select Committee of the Board was established consisting of two board members "**to evaluate restructuring alternatives and address any conflict matters associated with a potential transaction.**" No mention is given at all to review the interests of common shareholders which, if I understand correctly, is a fiduciary responsibility of publicly traded companies Board of Directors.

It appears, but for the large amount of debt that was owed to CTCI Americas Inc., that accumulated since 2021 when they were hired to bring the plant operational and turn-key by Feb of 2022 for a cost not to exceed \$178M, this bankruptcy would be unnecessary. It would also seem that delay

after delay during the course of CTCL's contract amounted in extreme cost overruns (\$178M contracted and now \$974M claimed by CTCL) that GCEH's management didn't anticipate. Finally, it seems from the outside that GCEH's management's failure to deal with the delays and costly overruns promptly (CTCL hired in May 2021 and fired in Oct 2024), has now cost the company hundreds of millions of dollars.

To my knowledge, GCEH's board of directors finally took internal corporate action late last year and replaced Mr. Richard Palmer with Mr. Verleun. To my knowledge, Mr. Palmer is the largest single holder of common stock, owning 24% of the 50,219,640 shares issued and outstanding per the bankruptcy filing. To my knowledge, he remains on the company's board of directors. To my knowledge, he participated in the decision to file for Chapter 11. To my knowledge, all of his current shares are common. And to my knowledge, unless there is a plan to allow common shareholders like myself and Mr. Palmer to retain some value from their common shares (which, as mentioned already, isn't stated in the filing) then Mr. Palmer's shares will become worthless.

It appears that Judge Perez signed an order on 16 April deeming the common shares worthless. I would ask what due diligence was done beyond that of GCEH itself to determine that all common shares had become worthless. Was an independent third party brought in to validate that indeed all common shares were worthless? If so, could that third party's math be shared publicly? If only GCEH's determination was made to determine that all common shares were worthless, I find that very suspect and certainly biased. What a travesty to the many common shareholders, many of whom had placed their full faith, trust and dollars in the management of Global Clean Holdings, specifically Mr. Richard Palmer. Mr. Palmer led the company from the beginning and only stepped down as CEO last year after the debacle that was detailed clearly in the filings from the Bakerfield Refinery contractor CTCL Americas.

It appears that CTCL, rather than suffering from their own poor performance and cost over-runs will, if this bankruptcy continues as proposed by GCEH and its Board of Directors, own 55.5 % of the newly reorganized company.

Having been a small business owner for over 30 years, I understand the importance of paying debt holders and I understand that their interests have to come before common shareholders but what is very disturbing to me and I'm sure hundreds, if not thousands of other common shareholders is that GCEH **got to the finish line in Dec of last year** when the first barrel of renewable diesel was sold. This was the finish line that investors like me and many, many others had been waiting for and promised in filings and shareholder meetings since the company first purchased the plant in 2020.

Please review the information shared with shareholders in the last publicly held meeting of shareholders in November of 2024. After attending that meeting, I bought more shares and continued to buy shares up until the company filed for bankruptcy. That finish line (beginning of plant production in Dec) allowed GCEH to sell over \$26M in renewable diesel in one month or less (Dec 2024) and per the filing by Mr. Verleun, their projection for revenue is now \$560M for 2025. **If the company had made this announcement public at any point in time prior to the bankruptcy filing the stock price would have soared and perhaps prevented this bankruptcy filing.** By withholding that information until the bankruptcy filing, the price has plummeted leaving shareholders like myself little recourse but to wait and see how this unfolds in bankruptcy court or to

attempt to sell our shares in a market where the price has cratered. **Why did GCEH managers and Board of Directors withhold this information from the public?**

I also ask, why did GCEH fail to file their 10Q timely thereby withholding the sales projection of \$560M from the public until after their bankruptcy filing? They had already secured a buyer, Vitol Americas Corp., for their product so that wasn't going to be an issue. The plant was clearly operational and producing very well. Renewable oil is a prized commodity. I also ask, is Mr. Palmer's fate exactly the same as every other common shareholder? Is there any potential of financial gain for Mr. Palmer, either promised or codified post reorganization?

Mr. Travis, it is my sincere hope that, if you have the power to do so, you intervene in some way to prevent common shareholders from being completely dismissed, leaving nothing in return. Specifically, I request that you do the following:

Appoint an independent auditor to determine if indeed there is no potential value to shareholders if GCEH continues to operate as a going concern.

Appoint an independent Operator to take over the day to day management of the company pending an independent audit of the company from beginning of production in Dec 2024 through today.

Speak to the former CFO, Nikhil Vasa, as to why he resigned last year. Did he resign for ethical reasons that should have been made public?

Speak to Mr. Reza Yadegari, former Project Control at the Bakersfield Refinery as to why he resigned. Did he raise concerns to GCEH management that should have been made public?

Delay the hearing scheduled by Judge Perez for 22 July until results of the audit requested above determines no foul play on the part of GCEH directors or officers.

I may be reached by email at tom@arrisinc.com or cell at 703-403-6056 if there are any questions or clarifications needed.

Sincerely and respectfully submitted,



Thomas D Madison

Common Shareholder

CC:

Honorable Judge Perez, US Bankruptcy Court

Mr. Noah Verlun, President, Global Clean Energy Holdings

Mr. Richard Palmer, Board of Directors Global Clean Energy Holdings

Mr. David R. Walker, Chairman, Board of Directors Global Clean Energy Holdings

Mr. Michael Zilka, common shareholder

Thomas Madison
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Alexandria, VA 22309

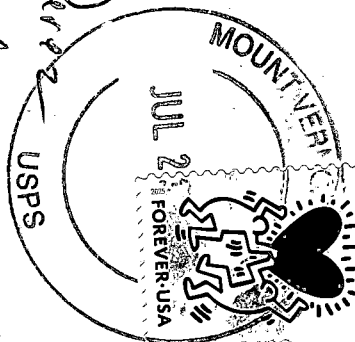
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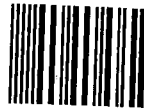
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